

Message Text

CONFIDENTIAL

PAGE 01 LIMA 09345 121607Z

65

ACTION PM-04

INFO OCT-01 ARA-06 ISO-00 CIAE-00 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 OMB-01 AID-05

TRSE-00 MC-02 ACDA-05 EUR-12 /078 W

----- 106717

R 121515Z NOV 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 7587

INFO SECDEF

USCINCSOUTH

C O N F I D E N T I A L LIMA 9345

EO 11652: GDS

TAGS: MASS, PE

SUBJECT: FY 1976 AND FY 1977 MILITARY SECURITY ASSISTANCE
PROGRAMS

REF: STATE 258167

1. THE FOLLOWING INFORMATION ON PERU IN REGARD TO FY 1976
AND 1977 MILITARY SECURITY ASSISTANCE IN KEYED TO QUESTIONS
A THROUGH J OF REFTEL.

A. ON NOVEMBER 10 THE JOINT COMMAND OF PERUVIAN
ARMED FORCES INFORMED ACTING MAAG CHIEF BY WFTTER OF
PERUVIAN ACCEPTANCE PROPOSED \$20,000,000 FMS CREDIT LEVEL
FISCAL 1976.

B. THE JOINT COMMAND'S PRIORITY LIST FOLLOWS: ARMY -
375 1/4 TON JEEPS, 42 COMMAND CARS M577 -A1; NAVY -
31 TORPEDOS MK-37 MOD 3, 77 TORPEDOS MK-44-1 AMMO 5", 3",
40 MM AND 20MM, 10 FIBERGLASS PERSONNEL TRANSPORT BOATS,
MEDICAL EQUIPMENT, FIRE-FIGHTING AND SURVIVAL EQUIPMENT;
AIR FORCE - PARTS FOR INSPECTION OF PLANE AND MOTORS FOR
TWELVE A-37A PLANES, GROUND-SUPPORT EQUIPMENT FOR
TWELVE A37B PLANES, CLASS V-A MATERIALS FOR 36 A-37B
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LIMA 09345 121607Z

PLANES, MODIFICATION FOR AIR REFUELING SYSTEM FOR 24

A--37 B PLANES, AND PARTS TO COVER THE 1977-78 PERIOD FOR
24 A-37B PLANES.

C. NO, THERE IS NO U.S.--APPROVED FORCE GOAL FOR THE
PERUVIAN ARMED FORCES.

D. THE PROPOSED LEVEL OF CREDIT SALES WILL HELP TO MAIN-
TAIN OPEN U.S. LINES OF COMMUNICATION TO THE PERUVIAN
ARMED FORCES, AND THROUGH THEM TO THE REVOLUTIONARY GOVERN-
MENT OF THE ARMED FORCES. PERUVIAN MILITARY COMMANDERS ARE
INSISTENT UPON MODERNIZATION PROGRAMS. THEY WILL SECURE
NEW WEAPONS, IF NECESSARY AT HIGH COSTS. AND FROM WHATEVER
IS THE BEST AVAILABLE SOURCE.

E. NO GRANT MATERIAL IS DESIGNATED FOR PERU AND THE GRANT
TRANING PROGRAM IS A SEPARATE LINE ITEM FROM THE CREDIT
PROGRAM.

F. ANY PRECIPITATE REDUCTION IN U.S. LEVEL OF ASSISTANCE
WOULD HAVE AN ADVERSE EFFECT ON U.S.- PERUVIAN RELATIONS,
WHICH WE HOPE WILL IMPROVE UNDER THE NEW PERUVIAN PRESIDENT.
ALSO, THE U.S. WANTS THE PERUVIAN MILITARY TO FEEL CON-
FIDENT IN ITS CAPABILITY TO MAINTAIN INTERNAL ORDER AND
REPEL ANY OUTSIDE AGGRESSION. WE WANT TO DISCOURAGE
EXCESSIVE PERUVIAN INVESTMENT IN MILITARY HARDWARE AT THE
EXPENSE OF ECONOMIC AND SOCIAL DEVELOPMENT, WHICH ARE THE
PERUVIAN REVOLUTION'S STATED PRIORITY GOALS. A MODERATE CREDIT
SALES PROGRAM IS A WAY TO PROMOTE THESE POLICY GOALS.

G. THERE IS THE POSSIBILITY OF AN ARMY RACE BETWEEN
PERU AND ITS SOUTHERN NEIGHBOR, CHILE, EVEN THOUGH NEITHER
COUNTRY CAN AFFORD IT. ECUADOR, COULD ALSO CONCEIVABLY BE
FRIGHTENED INTO ILLOGICAL ARMS PURCHASES IN AN ATTEMPT TO
OFFSET A PERCEIVED PERUVIAN PREPONDERANCE IN MILITARY MIGHT.
THERE IS
A BALANCE OF SORTS IN THE PROPOSED CREDIT LEVELS OF
PERU AND ECUADOR; THERE COULD BE AN UNBALANCING EFFECT
VIS-A-VIS PERU AND CHILE SHOULD THE CURRENT CONGRESSIONAL
BAN ON MILITARY ASSISTANCE TO CHILE BE CONTINUED INDEFINITELY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LIMA 09345 121607Z

H. YES
PERU IS UNDER HEAVY BALANCE OF PAYMENTS PRESSURES,
AND IS THEREFORE SEEKING CONCESSIONAL TERMS FOR AS MUCH
OF ITS FINANCING AS POSSIBLE.

I. THE REPAYMENT OBLIGATION WILL CREATE LIMITED BURDEN
ON FUTURE BUDGETS WHICH WILL BE A FUNCTION OF THE AMOUNT
AND TERMS. THE PROPOSED MODEST CREDIT LEVEL SHOULD NOT

POSE DIFFICULT PROBLEMS IN ITSELF FOR THE OVERALL GOVERNMENT BUDGET.

J. PERU HAS PENDING SEVERAL PURCHASES IN THE FY 1976 PERIOD FROM EUROPEAN SUPPLIERS, INCLUDING THE SOVIET UNION. THESE THIRD COUNTRY PURCHASES WOULD BE ENCOURAGED, AND POSSIBLY INCREASED, IF THE U.S. LEVEL OF CREDIT IS NOT MAINTAINED.
DEAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, MILITARY ASSISTANCE PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LIMA09345
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750394-0268
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751151/aaaabtdo.tel
Line Count: 124
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 STATE 258167
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 12 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 SEP 2003 by CunninFX>; APPROVED <30 OCT 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FY 1976 AND FY 1977 MILITARY SECURITY ASSISTANCE PROGRAMS
TAGS: MASS, PE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006